

CONFIDENTIAL
DD/A Registry

File *Approp Budget*

11 NOV 1976

MEMORANDUM FOR: Comptroller

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : FY-77 Funding for Phase II-B, Washington
Area Imagery Transmission System (ITS-W)

25X1A

1. The [REDACTED] has submitted a technically acceptable proposal for Phase II-B of the Washington Area Imagery Transmission System. This phase of the ITS-W program comprises the design completion, equipment manufacture, installation, test and acceptance of the system. The [REDACTED] cost proposal for the basic ten-terminal system is [REDACTED]. However, applying recently approved increases in overhead and general administrative rates granted [REDACTED] the total cost becomes [REDACTED].

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2. The Office of Communications FAN Account 4751 contains [REDACTED] in FY-77 for this effort. Of this amount, \$230,000 has been identified as funds to be refunded to OC FAN Account 4600, from which the cryptographic equipment for ITS-W has already been procured. However, if this refund is actually implemented, the remaining funds will be insufficient to fund the complete, intended, ten-terminal system.

3. FAN Account 4750 contains a line item for leased T-1 lines in support of the ITS-W network for FY-77, in the amount of \$216,000. These funds will not be required because of the delay in the program.

E3 IMPDET CL BY SIGNER

FY-77 Funding for Phase II-B, Washington
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4. Your approval is requested to transfer \$216,000 in FAN Account 4750 to FAN Account 4600, in lieu of the transfer of \$230,000 from FAN Account 4751. This action will provide adequate funding for the full ITS-W system and sufficiently compensate FAN Account 4600.

/s/ Michael J. McManis

John F. Blake

APPROVED (✓) DISAPPROVED ()

25X1A

Comptroller

12 Nov. 76
Date

ORIGINATOR:

25X1A

Director of Communications

11-8-76
Date

Distribution:

Original - Addressee (return to DDA)

2 - DDA General Subject

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STATINTL

[REDACTED]

I discussed the attached with [REDACTED] He is of the opinion that OC is o.k. in reprogramming the item.

STATINTL

The item in question is part of Resource Package "DDI Support" and is on our Lowest Priority List in Category III.

Dave assumes that we should go to the lowest item when we reprogram--net result = no problem for him.

Recommend Mr. Blake sign.

STATINTL

OC [REDACTED] realizes that they might be called upon to come up with an item worth \$216,000 if the DDA was hit later on with a FT 77 Fund Reduction.

[REDACTED]

STATINTL

P.S. If signed I would like to hand carry to Dave.